

# **EXHIBIT 1**



INSIGHT

# The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA): Overview and the U.S. Funding Pause

Updated February 9, 2024

On January 26, 2024, the Biden Administration [announced](#) that it temporarily “paused” all U.S. funding to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), citing allegations that 12 UNRWA employees were involved in the October 7, 2023, attacks led by [Hamas](#) (a U.S.-designated foreign terrorist organization) against Israel. According to the State Department, the pause includes approximately \$300,000 in unobligated FY2024 funds and just over \$2.5 million in obligated but unpaid balances for FY2023. The Administration stated that it was “extremely troubled” by the allegations and was reviewing the “steps the United Nations is taking to address them.” [Some UNRWA donor countries have suspended funding, while others have stated they will continue their funding.](#) In the region, [Arab states](#) have criticized the suspension of funding to UNRWA. [An unnamed senior Israeli official](#) voiced support for the funding pause and an eventual phaseout of UNRWA in Gaza, while saying that its immediate discontinuation would “not be in Israel’s interest.”

In response to the allegations, UNRWA issued a [public statement](#), saying that it would “immediately terminate the contracts of these staff members and launch an investigation.” [U.N. Secretary-General António Guterres](#) declared that he was “horrified” by the allegations and activated an immediate [U.N. Office of Internal Oversight Services \(OIOS\)](#) investigation that will address UNRWA’s call for a probe. In parallel with the OIOS investigation, on February 5, [Guterres appointed an independent panel](#) to review UNRWA’s mechanisms and procedures and issue a final, publicly available report by late April. Secretary-General Guterres appealed to governments to guarantee the continuity of UNRWA’s operations because it is providing “critical aid” to 2 million civilians in Gaza amid [a major crisis](#). [UNRWA states](#) that without additional donor contributions, its current funding will run out at the end of February. Some [U.N.](#) and other international aid agencies and [nongovernmental organizations](#) have also called on donor governments to restore their support.

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## UNRWA: An Overview

The U.N. General Assembly established UNRWA in 1949 with a temporary mandate to provide humanitarian assistance and protection to registered Palestinian refugees (5.9 million as of 2023) living in the West Bank, Gaza Strip, Jordan, Lebanon, and Syria. UNRWA provides food and other essential supplies, health care, education, and other services directly to its beneficiaries, in coordination with public services provided by the host authorities. Some 1.4 to 1.7 million of Gaza's roughly 2.1 million residents are registered Palestinian refugees, and many have relied on humanitarian assistance for decades. With no political resolution on the refugees' status, the General Assembly has regularly extended UNRWA's mandate; it expires on June 20, 2026. UNRWA is funded primarily through voluntary contributions from governments and also through the U.N. regular budget. The United States has generally supported UNRWA through voluntary funding contributions, but over the years some policymakers have raised concerns about its effectiveness and neutrality. For 2023, UNRWA's funding totaled \$1.47 billion.

Humanitarian conditions in Gaza were already dire before October 7. The current conflict has resulted in significant population displacement and infrastructure damage, tens of thousands of Palestinian casualties, and more acute humanitarian conditions. UNRWA is the largest humanitarian organization in Gaza and the primary provider of services and direct relief to Palestinian refugees, including operating temporary shelters for those displaced, running mobile health teams, and distributing food, water, and other necessities. The intensity of the ongoing hostilities constrains the ability of UNRWA and other humanitarian organizations to assess conditions and deliver life-saving assistance and supplies. As of February 5, 2024, 154 UNRWA staff had been killed since the start of hostilities in October.

## U.S. Funding, Oversight, and Policy Options

The United States is historically the largest financial contributor to UNRWA, with U.S. funding totaling more than \$7.1 billion since 1950 (Table 1). U.S. contributions are primarily provided through the Migration and Refugee Assistance (MRA) account in annual Department of State, Foreign Operations, and Related Programs (SFOPS) appropriations acts. Congress does not usually specify a funding amount for UNRWA; it appropriates a lump sum to the MRA account, and the executive branch allocates funds based on humanitarian needs and U.S. foreign policy priorities. UNRWA may also be funded through other accounts and supplemental appropriations bills.

In August 2018, the Trump Administration announced the first U.S. cutoff of contributions to UNRWA, calling its operations "irredeemably flawed." The Biden Administration resumed funding in April 2021. So far in FY2024, the United States has provided \$121 million to UNRWA for Palestinian refugees.

**Table 1. Historical U.S. Government Contributions to UNRWA**

(in \$ millions, non-inflation adjusted)

Fiscal Year(s)	Amount	Fiscal Year(s)	Amount
1950-1999	2,216.7	2013	294.0
2000	89.0	2014	398.7
2001	123.0	2015	390.5
2003	134.0	2016	359.5
2004	127.4	2017	359.3
2005	108.0	2018	65.0
2006	137.0	2019	-0-
2007	154.2	2020	-0-
2008	184.7	2021	318.4
2009	268.0	2022	364.0
2010	237.8	2023	371.0
2011	249.4	<b>TOTAL</b>	<b>7,182.9</b>
2012	233.3		

**Sources:** U.S. State Department and UNRWA.**Note:** All amounts are approximate. Just over \$2.5 million of FY2023 contributions have not been disbursed.

U.S. contributions to UNRWA are subject to [various legislative conditions and oversight measures](#). Section 301(c) of the 1961 Foreign Assistance Act (P.L. 87-195), as amended, states that the United States shall provide contributions only if UNRWA takes “all possible measures” to ensure that no contribution shall assist any refugee “who has engaged in any act of terrorism.” Additionally, since FY2015, annual appropriations bills (most recently Section 7048(d) of P.L. 117-328) have required State Department reports to Congress on several points regarding UNRWA prior to the initial obligation of funding, including those related to compliance with Section 301(c) and any potential violations by UNRWA staff.

Some Members of Congress have regularly [raised concerns as part of the legislative process](#) about UNRWA’s effectiveness and neutrality, and have [supported legislation](#) to increase oversight of UNRWA, limit U.S. funding and strengthen vetting procedures to prevent any diversion to terrorists, [screen any educational materials](#) for UNRWA-administered schools and summer camps that might generate anti-Semitic or other incitement, and examine the definition of Palestinian refugees and their “right of return.” Other Members, including some who voice concerns about some aspects of UNRWA, have argued that the organization’s activities are critical and [advocated for continued or greater financial support](#).

Before the recent allegations, [Biden Administration officials](#) emphasized the importance of humanitarian assistance for Gaza, while acknowledging potential risks of aid diversion. [Some observers debate](#) the extent to which the United States can limit the risks of aid diversion or neutrality violations by routing humanitarian funding to organizations other than UNRWA. As a nominee, Assistant Secretary of State Julieta Valls Noyes [stated](#) in 2021 that while UNRWA needed to redouble efforts in some areas to ensure its effectiveness and neutrality, the “only viable alternative to UNRWA in those areas would be Hamas.”

Congress and the Administration may consider the following selected issues:

- **U.S. funding.** Whether to lift the UNRWA funding pause or make it permanent, including decisions on whether—and under what conditions—to provide previously appropriated funds and/or additional [supplemental](#) and FY2024 funds as the President has requested. A potential Senate amendment to a FY2024 supplemental appropriations bill (S.Amdt. 1388

- to H.R. 815) states that none of the funds appropriated by the bill or prior SFOPS Acts may be made available for a contribution, grant, or other payment to UNRWA. The State Department has said that [the Administration expects \\$1.4 billion](#) in supplemental funding to be planned for Gaza.
- **UNRWA investigation.** How, if at all, the United States will support and/or monitor the U.N. investigation and to what extent, if any, it will conduct its own investigation.
- **Possible UNRWA reforms or alternatives.** Whether and how to [pursue reforms](#) by UNRWA and/or explore if [other humanitarian organizations](#) can act as an alternative in the provision of humanitarian assistance and protection to Palestinian refugees in Gaza. Secretary of State Antony Blinken has [called](#) for clear accountability for UNRWA, while saying that the functions UNRWA performs “have to be preserved because so many lives are depending on it.”

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